



Section I – Executive Summary

Ballard*King & Associates (B*K) has entered into a contract with Michael Baker International to complete feasibility study work for the City of Rancho Cordova and their interest in the development of an indoor multi-purpose space.

The recommendations contained in this report are those of B*K and reflective of the best information available at the time the study was completed.

Demographics

In examining the demographics of the area, B*K looked at three different services area; 1-Mile Radius, the City of Rancho Cordova, City Planning Area. The 1-Mile Radius and the City information is included for comparison of the key demographic indicators. The City Planning Area is identified as the Primary Service Area from which people may use the proposed facility on a weekly basis.

Median Age. The median age in all three service areas is lower than the State and National number. The lower median age is a positive attribute associated with indoor recreation facilities. This points to the presence of young families with children, along with the potential for young professionals. These groups would be significant users of indoor recreation spaces. However, as the country is aging, it continues to be more active, as such any indoor recreation facility should be considered multi-purpose and multi-generational.

Median Income. The median household income in all three service areas is less than the State number, with the income in the City and City Planning Area being greater than the National number. The lower median income is a concern in terms of the need for future subsidy of an indoor recreation facility. The higher the median household income, combined with operational philosophy, creates the opportunity to minimize operational subsidy.

Population Concentration. In both the City and the City Planning Area the population is greater than 50,000. This is a positive attribute when looking to develop an indoor recreation facility.

Household Budget Expenditures & Recreation Expenditures. The spending potential index (SPI) for household budget expenditures is lower than the State number in all three service areas. The SPI in the City Planning Area is greater than the National number. The consistency with the median household income is important, but again further emphasizes the fact that whomever operates an indoor recreation facility from the proposed location should be prepared to subsidize said operation. The SPI for entertainment and recreation mirrors that of the household budget expenditures. It is of note that residents are currently spending these dollars as well.



Ethnicity & Race. There is a significant (greater than 10%) Hispanic Population, along with an Asian Population. This is important to note because based on Ethnicity and Race the presence of those subsets within the community can impact participation numbers for some activities.

Tapestry. The top 10 Tapestry Segments account for over 80% of the population in the City Planning Area. The identified segments further underscore families with the presence of children and a propensity of some for significant participation in Entertainment & Recreation.

Participation Statistics

B*K uses participation data from the National Sporting Goods Association (NSGA) and their annual survey of how Americans spend their recreation and leisure time. The NSGA collects data annually and from that creates participation percentages based on age distribution, income levels, and region of the country. B*K takes participation percentages from those three categories and averages them with the national participation percentage to create a unique participation percentage for the City Planning Area (Primary Service Area).

Primary Service Area Participation

	Average	2010 Population	2018 Population	2023 Population	Difference
Aerobic Exercise	15.7%	15,678	17,330	18,377	+2,700
Baseball	4.5%	4,498	4,972	5,272	+774
Basketball	8.4%	8,445	9,336	9,900	+1,454
Boxing	1.3%	1,306	1,444	1,531	+225
Cheerleading	1.2%	1,157	1,279	1,356	+199
Exercise Walking	35.5%	35,546	39,293	41,668	+6,121
Gymnastics	2.2%	2,210	2,443	2,591	+381
Pilates	1.7%	1,688	1,866	1,978	+291
Running/Jogging	15.3%	15,317	16,932	17,955	+2,638
Soccer	5.3%	5,280	5,837	6,189	+909
Softball	3.3%	3,281	3,627	3,846	+565
Volleyball	3.7%	3,748	4,143	4,393	+645
Wrestling	1.1%	1,131	1,250	1,326	+195
Yoga	10.3%	10,365	11,458	12,150	+1,785

	Average	2010 Population	2018 Population	2023 Population	Difference
Did Not Participate	22.9%	22,960	25,381	26,914	+3,954



The tables on the previous page identify activities that could take place at an indoor recreation center. For activities like baseball, softball, and soccer the thought process was the inclusion of batting cages that lowered from the ceiling or the introduction of futsal. The other activities are typical of programming that could take place in a facility of this nature.

The participation percentage in the chart is an average reflective of the age distribution, median income, region of the country in the Primary Service Area. The participation numbers listed for 2010, 2018, and 2023 should not be viewed as attendance figures at a proposed facility. Rather, this provides the market for the various activities. As basketball and volleyball, or the inclusion of court space that could accommodate those activities, were significant topics of discussion the chart indicates that there are 9,336 basketball participants and 4,143 volleyball participants in the Primary Service Area. For both basketball and volleyball the highest rate of participation comes from individuals under the age of 18. This also underscores the presence of non-municipal agencies providing opportunities for leagues in those sports around the area.

National Activity Trends (in millions)

	2008 Participation	2017 Participation	Percent Change
Yoga	13.0	29.6	+127.7%
Gymnastics	3.9	6.0	+53.8%
Running/Jogging	30.9	43.8	+41.7%
Aerobic Exercising	32.2	44.9	+39.4%
Cheerleading	2.9	3.5	+20.7%
Exercise Walking	96.6	104.5	+8.2%
Wrestling	3.0	3.2	+6.7%
Soccer	13.5	14.3	+5.9%
Pilates	5.5	5.7	+3.6%
Boxing	3.8	3.7	-2.6%
Basketball	25.7	24.6	-4.3%
Baseball	13.3	12.1	-9.0%
Volleyball	12.2	10.5	-13.9%
Softball	12.8	9.8	-23.4%

The national activity trend simply illustrates the growth or decline in participation between 2008 and 2017. While some activities, like basketball and volleyball experienced a decline they are still popular and experiencing growth on a youth sport level.



Alternative Providers

B*K did identify several private fitness partners in the area along with private providers that included court space. Specific to court space the most significant providers are the local school district(s) in and around the City.

The most significant provider of indoor and outdoor spaces for recreation is the Cordova Recreation & Park District. It is important to note that the District was established close to 50 years prior to the City, while underscores the demand for recreation in the area.

Both the City and the District acknowledged that under previous leadership for both groups communication and cooperation were strained. However, under current leadership both of those areas are improving and moving forward. It is also important to note that while the District only operates one indoor gymnasium at this time, their master plan calls for future park development that does include additional indoor court space.

If you combine the information gathered in the stakeholder meetings and B*K's working knowledge of the area it is our opinion that if the City did build an indoor recreation facility, the only realistic operator at this time would be the Cordova Recreation and Park District.

Stakeholder Meetings

The following outlines themes derived from the meetings.

- There were two very consistent themes over the course of the two days that were echoed amongst all groups and their representatives:
 - It was felt by all there needs to be a community facility at the proposed location to serve the residents in the immediate area. The facility, its components, programs, and how it operated varied from group to group.
 - It was also the opinion of all groups that B*K met with that whatever is in that location, both facilities and programs should be affordable.
- Specific to sports, and irrespective of youth, or adult, the topic of access and priority were common themes. It was felt by many of these groups that they did not have the access to indoor facilities that they wanted, nor did they feel as they had any priority. Most groups agreed that if they are serving the needs of City residents, they should have some level of priority in accessing facilities.



- There was concern from most groups about the cost to build the facility and who was going to operate the facility. Both concerns, then found their way back to ensuring that the facility was affordable.
- The meetings with some of the groups, like the Boys & Girls Club, had a focus on spaces and programs that could be offered, but also on the opportunity of partnership in terms of operations. It is the opinion of B*K that the only group listed that has the staff and knowledge to operate and program the facility is the Cordova Recreation & Park District.
- Initially the City had hopes that the adjacent community college could be a tenant or have joint use needs for similar spaces in the facility. The reality is that the college would have minimal needs for a facility, and those would be focused more on a meeting rooms, or groups exercise space basis.
- There was a concern expressed by some of the youth sports groups that it is cost prohibitive to rent space, and in some cases participate in programs, that are offered by the District. It is the opinion of B*K that there is a disconnect between some of these groups, the financial goals of the District, and their willingness to subsidize some programs and rentals.

Recommendations

Through the course of the study a common discussed topic was the dollars (approximately \$30 million) that the City of Rancho Cordova has available to them to build a facility. While \$30 million is a significant amount of money, the reality is that there is a limit to the size of facility that can be built on the proposed site and the resources to have a limit.

B*K is not an architectural firm or an engineering firm. However, in our work with a variety of those agencies in California the following calculation can be used to provide an idea of the size of facility that could be developed with those dollars, while not accessing the full amount.

Total Square Feet:	30,000
Per Square Foot Cost:	\$500
Potential Construction Cost:	\$15,000,000
Potential Project Cost:	\$21,500,000

The figure of \$21,500,000 for potential project cost does not account for any future operational expenses but does leave a reserve of approximately \$9,500,000 for future subsidy and/or future community projects.



Given the demographic profile of the community, participation statistics, trends, alternative providers, and stakeholder meetings, *B*K would not recommend that the City invest in the development of an indoor recreation focused facility at this time.* If the City were to continue in this direction, B*K does provide information in the full recommendations section of the report as to what should be considered.

From a youth sport perspective, both indoor and outdoor, the common theme was to keep things affordable. Beyond that equally common was the sense that groups that are serving the needs of the City residents should have priority in access to public facilities (school district and recreation district) in the City. The City has a history of working with the Recreation District on helping enhance funding for construction projects. In this case, the City would be best served, if they want to meet the needs of youth sports groups, to work with the Recreation District and School District(s) and help fund access and priority to the existing facilities in turn also making them more affordable to the groups.

If the City were to develop an indoor facility with a recreation focus, they would be duplicating services and programs already provided by the Recreation District. This would not be a fiscally responsible decision from the standpoint of further diluting the facility and program market, nor would it be fiscally responsible from the point of the expenses associated with operating the facility.



Section II – Demographics

B*K accesses demographic information from Environmental Systems Research Institute (ESRI) who utilizes 2010 Census data and their demographers for 2018-2023 projections. In addition to demographics, ESRI also provides data on housings, recreation, and entertainment spending and adult participation in activities. B*K also uses information produced by the National Sporting Goods Association (NSGA) to overlay onto the demographic profile to determine potential participation in various activities.

Service Areas:

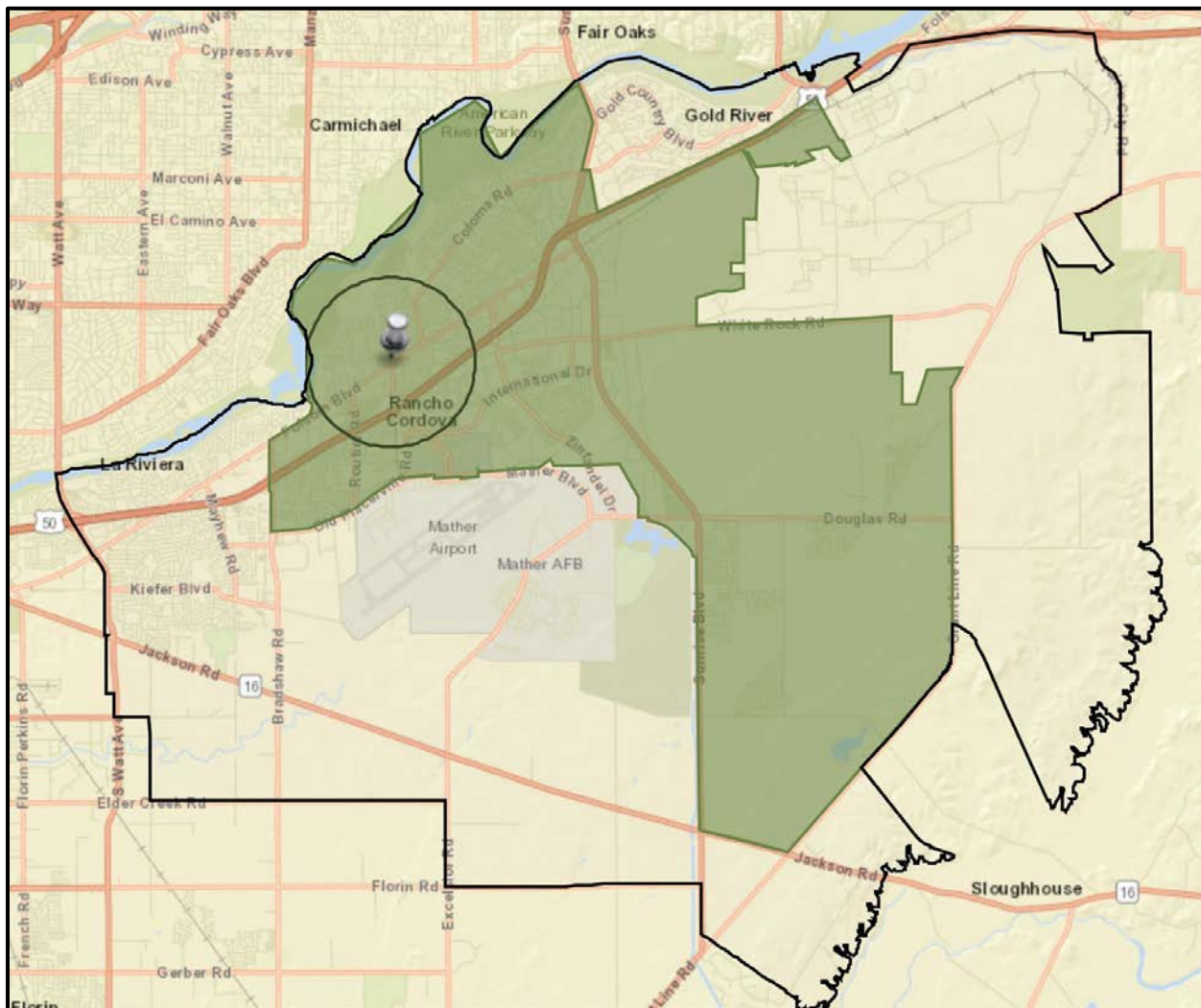
For purposes of the study, B*K has provided key indicators for three different service areas. A 1-mile radius surrounding the proposed location of the facility, the City of Rancho Cordova boundaries, and the City's planning boundaries, which are then used as the Primary Service Area.

A primary service areas can be defined as the distance people will travel on a regular basis (a minimum of once a week) to utilize recreation facilities. Use by individuals outside of this area will be much more limited and will focus more on special activities or events.

Service areas can expand, or contract based upon a facility's proximity to major thoroughfares. Another factor impacting the use as it relates to driving distance are the presence of alternative service providers in the service area. Alternative service providers can influence membership, daily admissions and the associated penetration rates for programs and services. Finally, unique facility components like a family oriented indoor leisure pool, indoor turf, or an indoor playground can impact service areas.



Map A – All Service Areas



- 1-Mile Radius
- City of Rancho Cordova
- City of Rancho Cordova Planning Area



Demographic Summary

	1-Mile Radius	City of Rancho Cordova	City Planning Area
Population:			
2010 Census	22,483 ¹	64,805 ²	111,475 ³
2018 Estimate	23,376	73,414	122,600
2023 Estimate	24,462	78,848	130,071
Households:			
2010 Census	8,333	23,468	41,388
2018 Estimate	8,555	26,121	44,824
2023 Estimate	8,911	27,843	47,222
Families:			
2010 Census	5,275	15,771	27,390
2018 Estimate	5,424	17,874	29,918
2023 Estimate	5,643	19,129	31,609
Average Household Size:			
2010 Census	2.69	2.75	2.68
2018 Estimate	2.72	2.80	2.72
2023 Estimate	2.74	2.82	2.74
Ethnicity (2018 Estimate):			
Hispanic	26.8%	21.1%	20.1%
White	53.6%	56.3%	57.7%
Black	13.0%	9.7%	9.7%
American Indian	1.2%	1.0%	1.0%
Asian	9.5%	15.1%	14.5%
Pacific Islander	1.3%	1.0%	0.9%
Other	12.6%	9.0%	8.2%
Multiple	8.9%	7.8%	8.0%
Median Age:			
2010 Census	31.6	33.2	34.4
2018 Estimate	32.7	34.5	35.9
2023 Estimate	33.1	35.0	36.5
Median Income:			
2018 Estimate	\$47,062	\$59,901	\$63,411
2023 Estimate	\$53,509	\$70,181	\$73,851

¹ Between the 2000-2010 Census the service area experienced a 1.6% increase.

² Between the 2000-2010 Census the service area experienced a 20.9% increase.

³ Between the 2000-2010 Census the service area experienced a 14.9% increase.

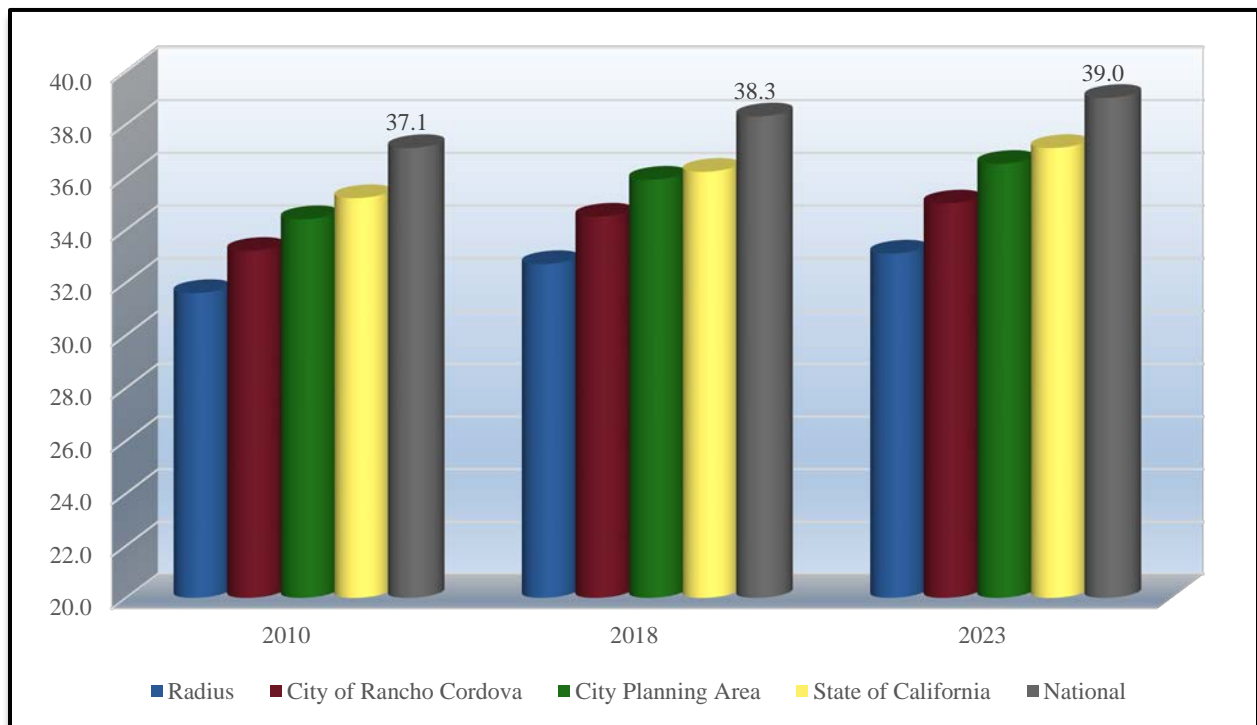


Age and Income: The median age and household income levels are compared with the national number as both factors are secondary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases as the median income level goes up.

Table A – Median Age:

	2010 Census	2018 Projection	2023 Projection
Radius	31.6	32.7	33.1
City of Rancho Cordova	33.2	34.5	35.0
Planning Area	34.4	35.9	36.5
State of California	35.2	36.2	37.1
Nationally	37.1	38.3	39.0

Chart A – Median Age:



The median age for the Radius, City and Planning Area are all lower than the State and National numbers. This points to families with young children and young professionals. Depending on the type of building that the City would want to pursue, there could be significant usage of the facility from the public.



The following chart provides the number of households and percentage of households in Primary Service Area and the Secondary Service Area with children.

Table B – Households w/ Children

	Number of Households w/ Children	Percentage of Households w/ Children
1-Mile Radius	2,993	35.9%
City of Rancho Cordova	8,723	37.2%
Planning Area	14,434	34.9%

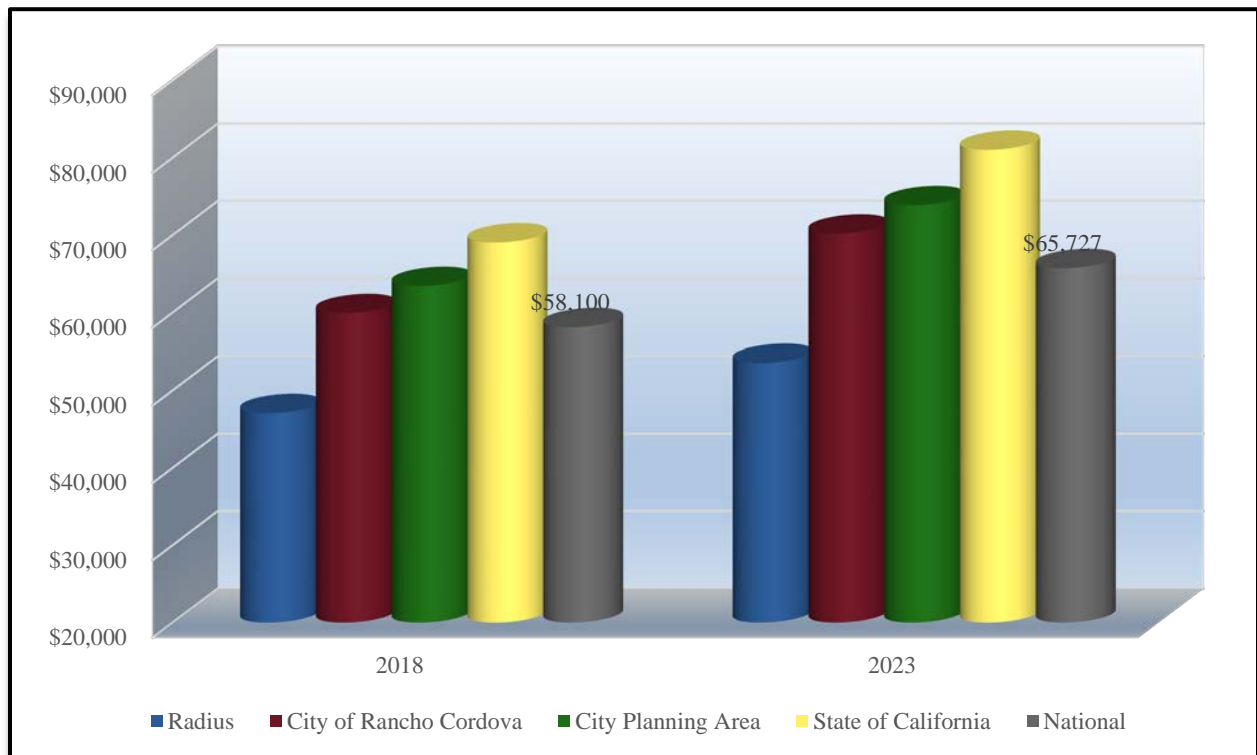
The information contained in Table-B helps further outline the presence of families with children. As a point of comparison in the 2010 Census, 37.5% of households in California and 33.4% of households nationally had children present.



Table C – Median Household Income:

	2018 Projection	2023 Projection
1-Mile Radius	\$47,062	\$53,509
City of Rancho Cordova	\$59,901	\$70,181
City Planning Area	\$63,411	\$73,851
State of California	\$69,051	\$81,023
Nationally	\$58,100	\$65,727

Chart B – Median Household Income:





Based on 2018 projections for median household income the following narrative describes the service areas:

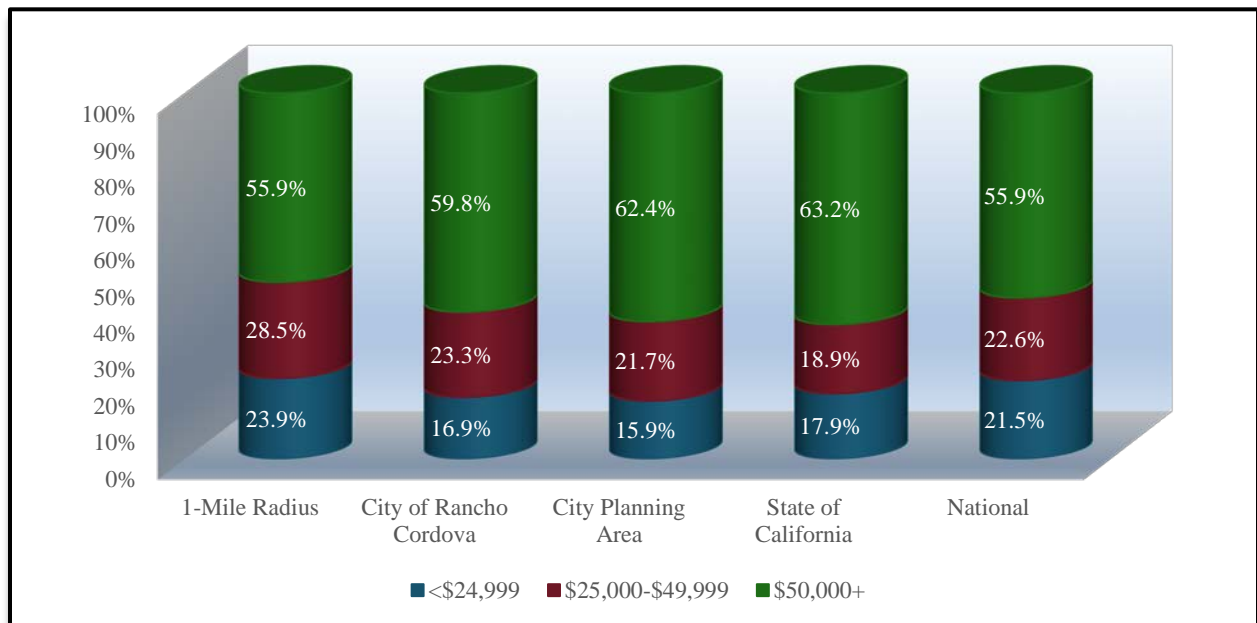
In 1-Mile Radius, the percentage of households with median income over \$50,000 per year is 47.6% compared to 55.9% on a national level. Furthermore, the percentage of the households in the primary service area with a median income less than \$25,000 per year is 23.9% compared to a level of 21.5% nationally.

In the City of Rancho Cordova the percentage of households with median income over \$50,000 per year is 59.8% compared to 55.9% on a national level. Furthermore, the percentage of the households in the primary service area with a median income less than \$25,000 per year is 16.9% compared to a level of 21.5% nationally.

In the City Planning Area the percentage of households with median income over \$50,000 per year is 62.4% compared to 55.9% on a national level. Furthermore, the percentage of the households in the primary service area with a median income less than \$25,000 per year is 15.9% compared to a level of 21.5% nationally.

While there is no perfect indicator of use of an indoor recreation facility, the percentage of households with more than \$50,000 median income is a key indicator. Therefore, those numbers are significant but must be balanced with the overall cost of living.

Chart C – Median Household Income Distribution





In addition to looking at Median Age and Median Income, it is important to examine Household Budget Expenditures. Reviewing housing information; shelter, utilities, fuel and public services along with entertainment & recreation can provide a snapshot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the service areas.

Table D – Household Budget Expenditures⁴:

1-Mile Radius	SPI	Average Amount Spent	Percent
Housing	80	\$17,316.61	31.9%
<i>Shelter</i>	81	\$13,521.00	24.9%
<i>Utilities, Fuel, Public Service</i>	77	\$3,795.62	7.0%
Entertainment & Recreation	74	\$2,371.79	4.4%

City of Rancho Cordova	SPI	Average Amount Spent	Percent
Housing	96	\$20,982.52	31.1%
<i>Shelter</i>	98	\$16,367.10	24.3%
<i>Utilities, Fuel, Public Service</i>	93	\$4,615.42	6.8%
Entertainment & Recreation	93	\$2,992.07	4.4%

City Planning Area	SPI	Average Amount Spent	Percent
Housing	103	\$22,443.11	31.0%
<i>Shelter</i>	104	\$17,504.52	24.2%
<i>Utilities, Fuel, Public Service</i>	100	\$4,938.59	6.8%
Entertainment & Recreation	100	\$3,229.07	4.5%

State of California	SPI	Average Amount Spent	Percent
Housing	122	\$26,579.93	31.1%
<i>Shelter</i>	124	\$20,896.79	24.5%
<i>Utilities, Fuel, Public Service</i>	115	\$5,683.14	6.7%
Entertainment & Recreation	118	\$3,790.19	4.4%

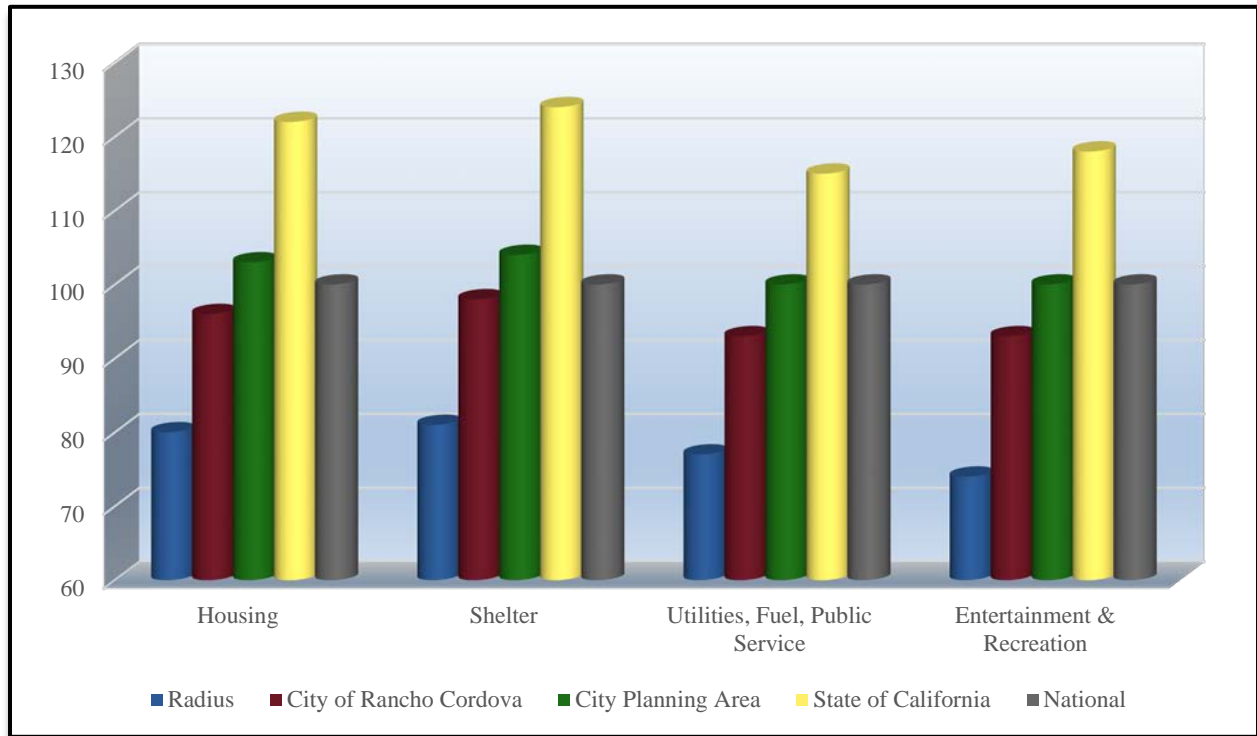
SPI: Spending Potential Index as compared to the National number of 100.
Average Amount Spent: The average amount spent per household.
Percent: Percent of the total 100% of household expenditures.

Note: Shelter along with Utilities, Fuel, Public Service are a portion of the Housing percentage.

⁴ Consumer Spending data are derived from the 2014 and 2015 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2018 and 2023.



Chart C – Household Budget Expenditures Spending Potential Index:



The household budget expenditures spending potential index follows a very similar pattern to that of the median household income. The consistency of income and spending patterns is a positive attribute, but both point to potential challenges in affording to pay for programs and rental facilities.



Recreation Expenditures Spending Potential Index: Finally, through the demographic provider that B*K utilizes for the market analysis portion of the report, we can examine the overall propensity for households to spend dollars on recreation activities. The following comparisons are possible.

Table E – Recreation Expenditures Spending Potential Index⁵:

1-Mile Radius	SPI	Average Spent
Fees for Participant Sports	67	\$39.52
Fees for Recreational Lessons	70	\$78.95
Social, Recreation, Club Membership	71	\$98.01
Exercise Equipment/Game Tables	72	\$41.64
Other Sports Equipment	68	\$5.24

City of Rancho Cordova	SPI	Average Spent
Fees for Participant Sports	94	\$106.52
Fees for Recreational Lessons	97	\$134.61
Social, Recreation, Club Membership	94	\$211.62
Exercise Equipment/Game Tables	95	\$54.88
Other Sports Equipment	91	\$6.98

City Planning Area	SPI	Average Spent
Fees for Participant Sports	103	\$116.34
Fees for Recreational Lessons	105	\$145.75
Social, Recreation, Club Membership	103	\$231.76
Exercise Equipment/Game Tables	104	\$59.59
Other Sports Equipment	99	\$7.59

State of California	SPI	Average Spent
Fees for Participant Sports	120	\$135.53
Fees for Recreational Lessons	131	\$181.09
Social, Recreation, Club Membership	124	\$280.75
Exercise Equipment/Game Tables	122	\$69.91
Other Sports Equipment	119	\$9.14

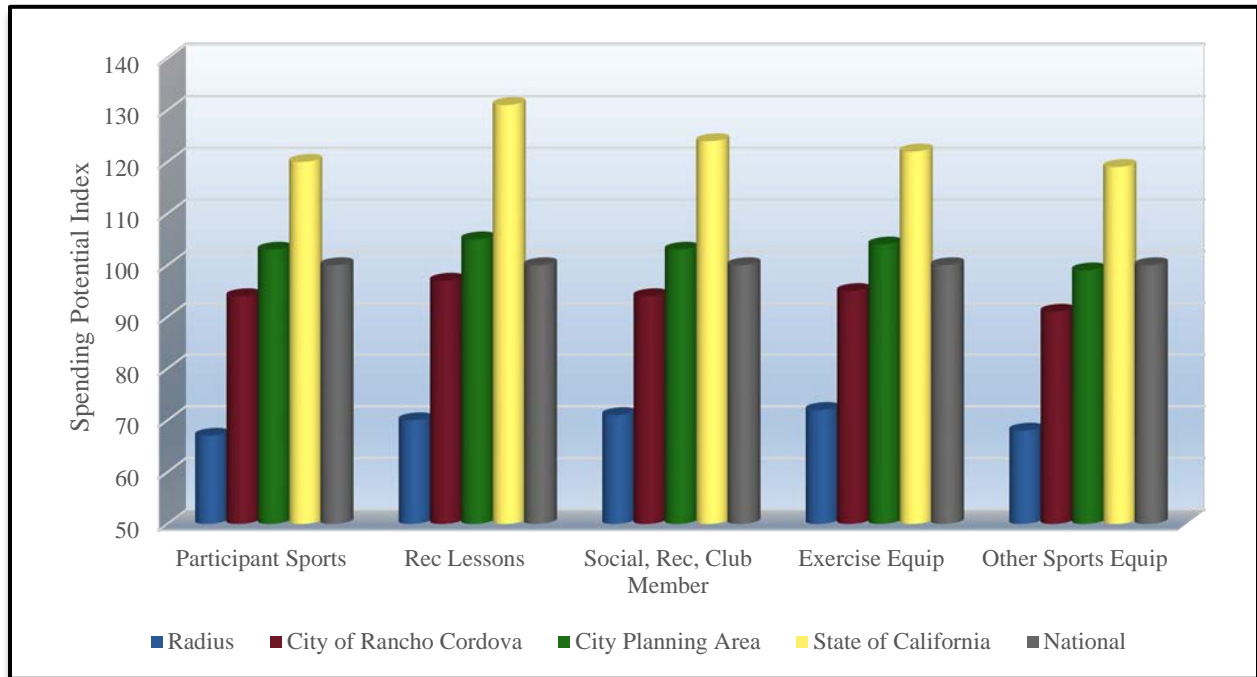
Average Amount Spent: The average amount spent for the service or item in a year.

SPI: Spending potential index as compared to the national number of 100.

⁵ Consumer Spending data are derived from the 2015 and 2016 Consumer Expenditure Surveys, Bureau of Labor Statistics.



Chart E – Recreation Spending Potential Index:



The rate of spending for entertainment and recreation is like household budget expenditures. Additionally, the median household income is consistent with these figures. It is reasonable to assume that if the City develops facilities the citizens want and offers programs they prefer, they will be well received.

However, it is also important to note that these dollars are already being spent, which means a City facility or programs would impact the current providers.



Market Potential Index for Adult Participation: In addition to examining the participation numbers for various indoor activities through the NSGA 2017 Survey and the Spending Potential Index for Entertainment & Recreation, B*K can access information about Sports & Leisure Market Potential. The following information illustrates participation rates for adults in various activities.

Table F – Market Potential Index for Adult Participation in Activities in Primary Service Area

Adults participated in:	MPI 1-Mile Radius	MPI City	MPI Planning Are
Aerobic Exercise	88	97	103
Baseball	102	103	101
Basketball	99	102	102
Jogging/Running	80	100	108
Pilates	84	99	103
Soccer	94	96	96
Softball	90	98	100
Volleyball	74	86	86
Walking for Exercise	80	97	103
Yoga	88	99	110
Zumba	101	98	105

Expected # of Adults: Number of adults, 18 years of age and older, participating in the activity in Primary Service Area.

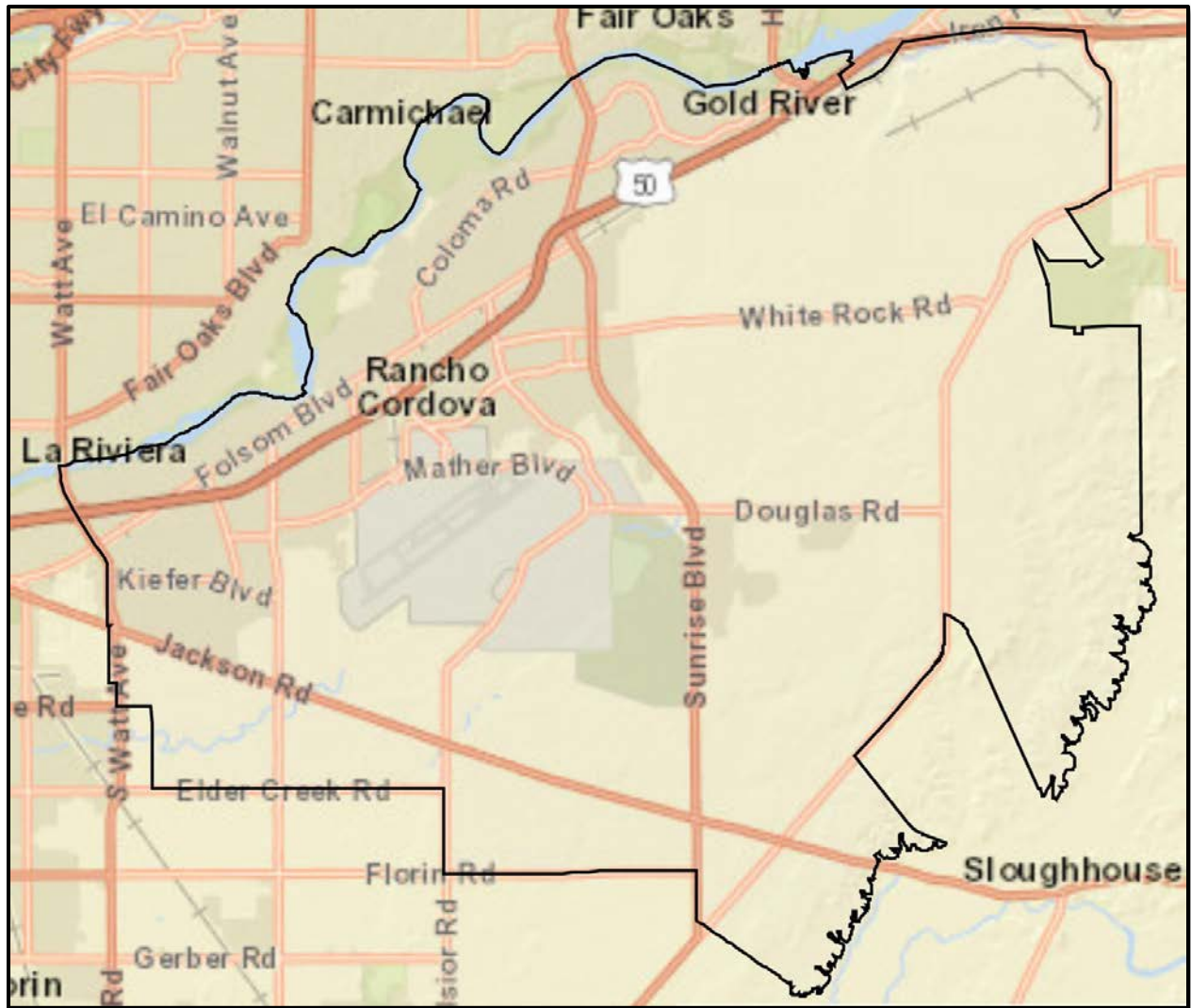
Percent of Population: Percent of the service area that participates in the activity.

MPI: Market potential index as compared to the national number of 100.

This table indicates that the overall propensity for adults to participate in the activities. The boxes that are red are those where the MPI is less than the national number of 100, green indicates great than the national number of 100. As one moves away from the Radius Service Area the rate of participation becomes greater in more activities. In many cases when a participation number is lower than the National number, secondary factors include a lack of facilities or an inability to pay for services and programs.



Map B – Primary Service Area





Population Distribution by Age: Utilizing census information for Planning Area the following comparisons are possible.

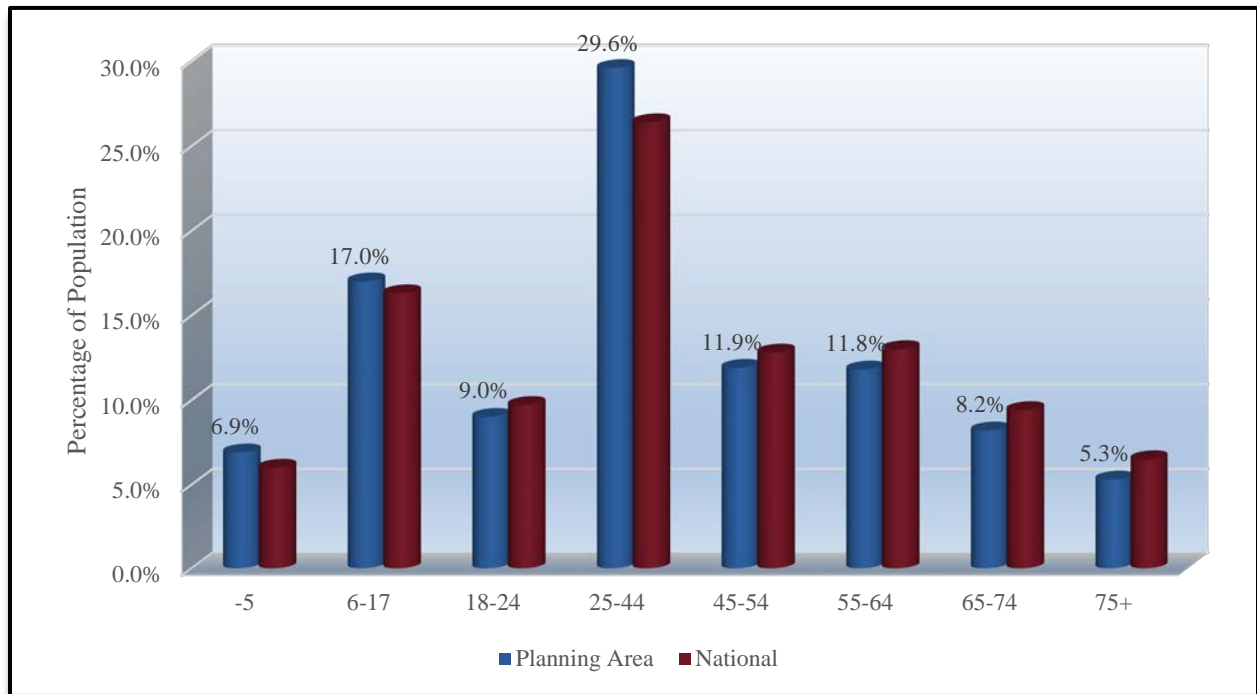
Table G – 2018 Planning Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
0-5	8,486	6.9%	6.0%	+0.9%
5-17	21,035	17.0%	16.3%	+0.7%
18-24	11,008	9.0%	9.7%	-0.7%
25-44	36,294	29.6%	26.4%	+3.2%
45-54	14,666	11.9%	12.8%	-0.9%
55-64	14,482	11.8%	13.0%	-1.2%
65-74	10,067	8.2%	9.4%	-1.2%
75+	6,559	5.3%	6.5%	-1.2%

- Population:** 2018 census estimates in the different age groups in the Planning Area.
- % of Total:** Percentage of the Planning Area population in the age group.
- National Population:** Percentage of the national population in the age group.
- Difference:** Percentage difference between the Planning Area population and the national population.

Chart A – 2018 Planning Area Age Group Distribution





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Recreation Facility Planning and Operation Consultants

The demographic makeup of Planning Area, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the age groups of -5, 5-17 and 25-44 with a smaller population in the age groups of 18-24, 45-54, 55-64, 65-74 and 75+. The greatest positive variance is in the 25-44 age group with +3.2%, while the greatest negative variance is in the 55-64, 65-74, and 75+ age groups with -1.2%.



Population Distribution Comparison by Age: Utilizing census information from Planning Area the following comparisons are possible.

Table H – 2018 Planning Area Population Estimates

(U.S. Census Information and ESRI)

Ages	2010 Census	2018 Projection	2023 Projection	Percent Change	Percent Change Nat'l
-5	8,276	8,486	9,120	+10.2%	+2.5%
5-17	19,494	21,035	22,353	+14.7%	+0.9%
18-24	11,427	11,008	10,779	-5.7%	+0.7%
25-44	32,205	36,294	39,164	+21.6%	+12.5%
45-54	15,476	14,666	14,875	-3.9%	-9.5%
55-64	12,421	14,482	14,161	+14.0%	+17.2%
65-74	6,813	10,067	11,738	+72.3%	+65.8%
75+	5,363	6,559	7,881	+47.0%	+40.2%

Chart B – Planning Area Population Growth

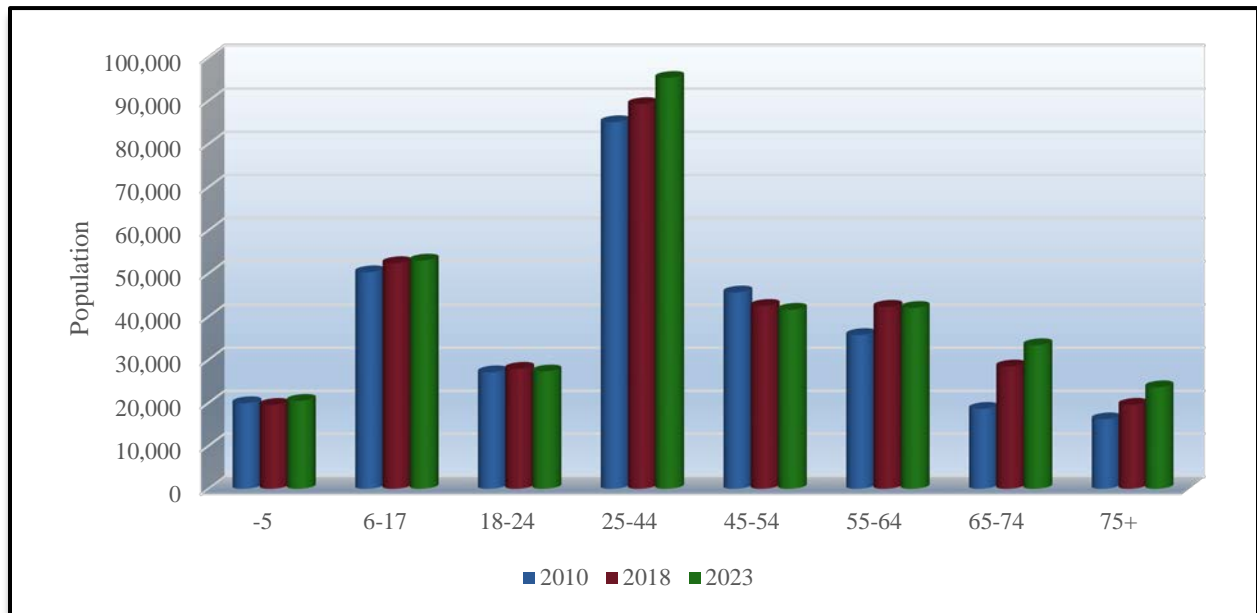


Table-H illustrates the growth or decline in age group numbers from the 2010 census until the year 2023. It is projected that all age categories, except 18-24 and 45-54 will see an increase in population. The population of the United States is aging, and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45+ age groupings in communities which are relatively stable in their population numbers.



Below is listed the distribution of the population by race and ethnicity for Planning Area for 2018 population projections. Those numbers were developed from 2010 Census Data.

Table I – Planning Area Ethnic Population and Median Age 2018

Ethnicity	Total Population	Median Age	% of Population	% of CA Population
Hispanic	24,673	26.6	20.1%	39.6%

Table J – Planning Area by Race and Median Age 2018

Race	Total Population	Median Age	% of Population	% of CA Population
White	70,736	40.3	57.7%	55.0%
Black	11,915	33.2	9.7%	5.9%
American Indian	1,194	32.8	1.0%	0.9%
Asian	17,750	37.2	14.5%	14.6%
Pacific Islander	1,160	30.6	0.9%	0.4%
Other	10,062	27.4	8.2%	17.8%
Multiple	9,7782	19.6	8.0%	5.4%

2018 Planning Area Total Population: 122,600 Residents

Chart C – 2018 Planning Area Population by Non-White Race

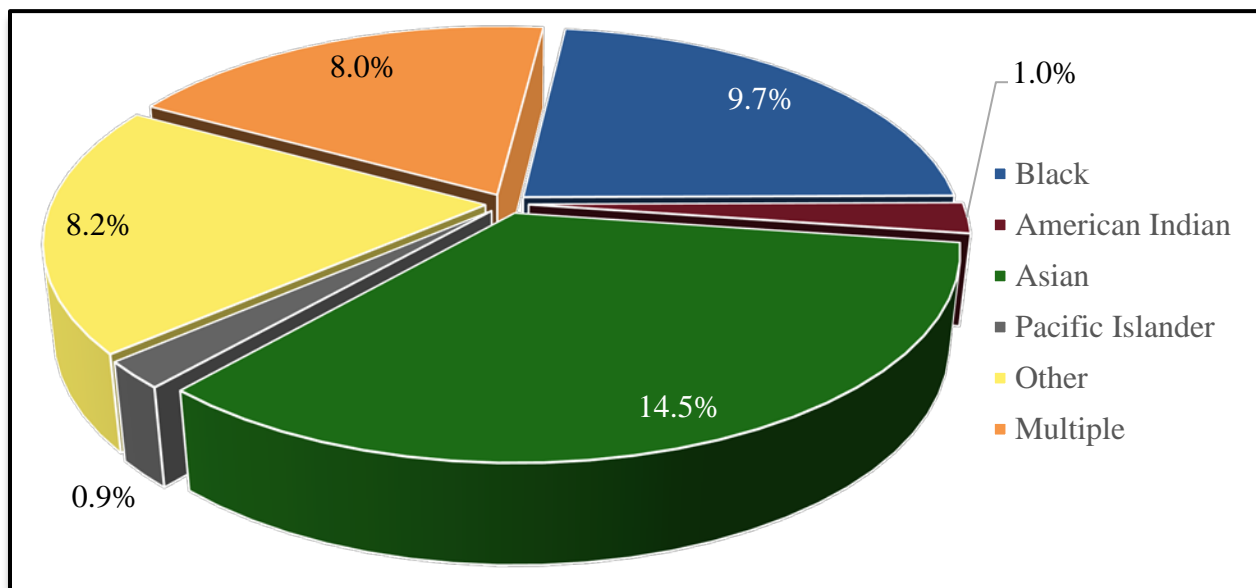




Table K – Planning Area Tapestry Segment Comparison

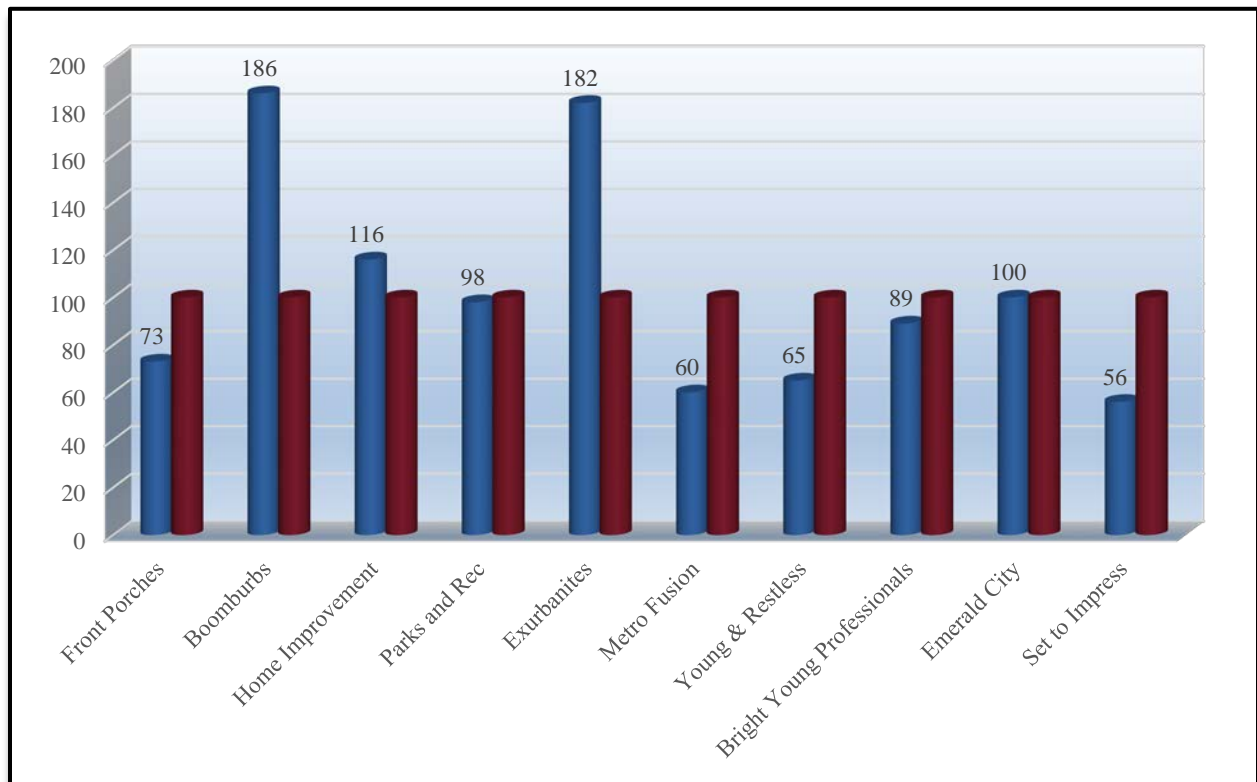
(ESRI estimates)

	Planning Area		Demographics	
	Percent	Cumulative Percent	Median Age	Median HH Income
Front Porches (8E)	18.2%	18.2%	34.2	\$39,000
Boomburbs (1C)	10.7%	28.9%	33.6	\$105,000
Home Improvement (4B)	10.5%	39.4%	37.0	\$67,000
Parks and Rec (5C)	10.3%	49.7%	40.3	\$55,000
Exurbanites (1E)	7.1%	56.8%	49.6	\$98,000
Metro Fusion (11C)	5.8%	62.6%	28.8	\$33,000
Young and Restless (11B)	5.8%	68.4%	29.4	\$36,000
Bright Young Professionals (8C)	5.4%	73.8%	32.2	\$50,000
Emerald City (8B)	3.4%	77.2%	36.6	\$52,000
Set to Impress (11D)	3.0%	80.2%	33.1	\$29,000

Table-I provides the top 10 Tapestry segments in the Planning Area. There are additional segments that comprise the remaining 19.8% not illustrated above, but in very small percentages.



Chart D – Average Household Budget Index for Entertainment & Recreation⁶



For each segment information is provided regarding the propensity to participate in entertainment and recreation. There is a total of three segments that either match or exceed the national number, and a fourth segment within 2 points of the national number. In a perfect scenario at least 50% of the segments would exceed the national number.

⁶ The national number for Entertainment & Recreation is 100.



Front Porches (8E) – Single-parent families or singles living alone make up almost half of the households. Participate in leisure activities including sports.

Boomburbs (1C) – Young families are married with children. Leisure includes a range of activities; hiking, bicycling, swimming, and golf.

Home Improvement (4B) – More than half of the households consist of married-couple families.

Parks and Rec (5C) – Households by type mirror the U.S. distribution; married couples, more without children, dominate. Their exercise routine is a balance of home-based exercise; a session at their local community gym; or a quick jog, swim, or run.

Exurbanites (1E) – A larger market of empty nesters, married couples with no children. Active supporters of the arts.

Metro Fusion (11C) – Single-parent and single-person households make up over half of all households. Football and soccer are popular sports.

Young and Restless (11B) – One of the youngest markets. Primarily single-person households with some shared households. Enjoy dancing, playing pool and playing volleyball.

Bring Young Professionals (8C) – Household type is primarily couples, married (or unmarried), with above average concentrations of both single-parent and single-person households. Participate in a variety of sports including basketball, football, bowling, Pilates, weight lifting, and yoga.

Emerald City (8B) – Single-person and nonfamily types make up over half of all households. These residents go to art galleries and make art at home.

Set to Impress (11D) – Apartment Complexes represented by multiple multiunit structures are often nestled in neighborhood with either single-family homes or other businesses.



Section II – Participation Statistics

In addition to analyzing the demographic realities of the service areas, it is possible to project possible participation in recreation and sports activities.

Sports Participation Numbers: On an annual basis, the National Sporting Goods Association (NSGA) conducts an in-depth study and survey of how Americans spend their leisure time. This information provides the data necessary to overlay the rate of participation onto the Primary Service Area to determine market potential. The information contained in this section of the report utilizes the NSGA's most recent survey. The NSGA collected data in 2017 and issued the report in June of 2018.

B*K takes the national average and combines that with participation percentages of the Primary Service Area based upon age distribution, median income, region and National number. Those four percentages are then averaged together to create a unique participation percentage for the service area. This participation percentage when applied to the population of the Primary Service Areas then provides an idea of the market potential for various activities.



Participation Rates: The following activities could take place at an indoor facility; they may require specific programming or could be individually directed.

Table L – Participation Rates for Primary Service Area

	Age	Income	Region	Nation	Average
Aerobic Exercise	15.2%	15.7%	16.5%	15.2%	15.7%
Baseball	4.3%	3.6%	6.0%	4.1%	4.5%
Basketball	8.6%	8.0%	8.8%	8.3%	8.4%
Boxing	1.3%	1.0%	1.6%	1.3%	1.3%
Cheerleading	1.2%	1.4%	0.8%	1.2%	1.2%
Exercise Walking	34.8%	36.0%	35.8%	35.4%	35.5%
Gymnastics	2.1%	2.2%	2.5%	2.0%	2.2%
Pilates	0.3%	2.0%	2.5%	1.9%	1.7%
Running/Jogging	15.3%	15.9%	15.2%	14.8%	15.3%
Soccer	5.1%	5.0%	6.1%	4.9%	5.3%
Softball	3.4%	3.1%	3.3%	3.3%	3.3%
Volleyball	3.7%	3.7%	4.0%	3.6%	3.7%
Wrestling	1.1%	1.0%	1.3%	1.1%	1.1%
Yoga	10.3%	9.6%	11.5%	10.0%	10.3%
	Age	Income	Region	Nation	Average
Did Not Participate	22.7%	25.4%	20.8%	22.8%	22.9%

Age: Participation based on individuals ages 7 & Up of the Current Location
Income: Participation based on the 2018 estimated median household income in the Current Location Area.
Region: Participation based on regional statistics (Pacific).
National: Participation based on national statistics.
Average: Average of the four columns.

Notes:

- “Did Not Participate” refers to all 55 activities tracked by the NSGA.
- Based on the survey instrument it is possible that respondents could identify ALL the activities they participated in.



Anticipated Participation Number: Utilizing the average percentage from Table-F above plus the 2010 census information and census estimates for 2018 and 2023 (over age 7) the following comparisons are available.

Table M – Participation Growth or Decline for Primary Service Area

	Average	2010 Population	2018 Population	2023 Population	Difference
Aerobic Exercise	15.7%	15,678	17,330	18,377	+2,700
Baseball	4.5%	4,498	4,972	5,272	+774
Basketball	8.4%	8,445	9,336	9,900	+1,454
Boxing	1.3%	1,306	1,444	1,531	+225
Cheerleading	1.2%	1,157	1,279	1,356	+199
Exercise Walking	35.5%	35,546	39,293	41,668	+6,121
Gymnastics	2.2%	2,210	2,443	2,591	+381
Pilates	1.7%	1,688	1,866	1,978	+291
Running/Jogging	15.3%	15,317	16,932	17,955	+2,638
Soccer	5.3%	5,280	5,837	6,189	+909
Softball	3.3%	3,281	3,627	3,846	+565
Volleyball	3.7%	3,748	4,143	4,393	+645
Wrestling	1.1%	1,131	1,250	1,326	+195
Yoga	10.3%	10,365	11,458	12,150	+1,785

	Average	2010 Population	2018 Population	2023 Population	Difference
Did Not Participate	22.9%	22,960	25,381	26,914	+3,954

Notes:

- These figures do not necessarily translate into attendance figures for various activities or programs.
- “Did Not Participate” statistics refers to all 55 activities outlined in the NSGA 2017 Survey Instrument.



Participation by Ethnicity and Race: The table below compares the overall rate of participation nationally with the rate for Hispanics and African Americans. Utilizing information provided by the National Sporting Goods Association's 2017 survey, the following comparisons are possible.

Table N – Comparison of National, African American and Hispanic Participation Rates

Indoor Activity	National Participation	African American Participation	Hispanic Participation
Aerobic Exercise	15.2%	14.5%	11.4%
Baseball	4.1%	2.6%	3.4%
Basketball	8.3%	12.2%	7.9%
Boxing	1.3%	2.1%	1.1%
Cheerleading	1.2%	1.5%	0.8%
Exercise Walking	35.4%	29.4%	25.6%
Gymnastics	2.0%	2.3%	1.6%
Pilates	1.9%	1.9%	1.8%
Running/Jogging	14.8%	14.0%	14.9%
Soccer	4.9%	2.8%	6.2%
Softball	3.3%	2.8%	2.1%
Volleyball	3.6%	3.4%	3.2%
Wrestling	1.1%	1.1%	1.2%
Yoga	10.3%	10.0%	8.5%

The information contained in Table-N are national statistics. Given that the there is a significant, 20.1%, Hispanic population in the primary service area, these numbers are relevant and could impact overall participation.

- Cells highlighted “red” are lower than the national participation percentage.
- Cell highlighted “green” are greater than the national participation percentage.



Table O – Activity Trends (in millions)

	2008 Participation	2017 Participation	Percent Change
Yoga	13.0	29.6	+127.7%
Gymnastics	3.9	6.0	+53.8%
Running/Jogging	30.9	43.8	+41.7%
Aerobic Exercising	32.2	44.9	+39.4%
Cheerleading	2.9	3.5	+20.7%
Exercise Walking	96.6	104.5	+8.2%
Wrestling	3.0	3.2	+6.7%
Soccer	13.5	14.3	+5.9%
Pilates	5.5	5.7	+3.6%
Boxing	3.8	3.7	-2.6%
Basketball	25.7	24.6	-4.3%
Baseball	13.3	12.1	-9.0%
Volleyball	12.2	10.5	-13.9%
Softball	12.8	9.8	-23.4%

The participation numbers illustrated in Table-O are national numbers and provide the percentage change in participation for the various activities listed above over a 10 year span.



Recreation Activity and Facility Trends: There continues to be very strong growth in the number of people participating in recreation and leisure activities. The Physical Activity Council in its 2013 study indicated that 33% of Americans (age 6 and older) are active to a healthy level. However, the study also indicated that 28% of Americans were inactive. It is estimated that one in five Americans over the age of six participates in some form of fitness related activity at least once a week. American Sports Data, Inc. reported that membership in U.S. health clubs has increased by 10.8% from 2009 to 2010, and memberships in health clubs reached an all-time high of 50.2 million in 2010. Statistics also indicate that approximately 12 out of every 100 people of the U.S. population (or 12%) belong to a health club. On the other side, most public recreation centers attract between 20% and 30% of a market area (more than once) during a year. All of this indicates the relative strength of a market for a community recreation facility. However, despite these increases the American population continues to lead a rather sedentary life with an average of 25% of people across the country reporting that they engage in no physical activity (per The Center for Disease Control).

One of the areas of greatest participant growth over the last 10 years is in fitness related activities such as exercise with equipment, aerobic exercise and group cycling. This is also the most volatile area of growth with specific interest areas soaring in popularity for a couple of years only to be replaced by a new activity for the coming years. Also, showing particularly strong growth numbers are ice hockey and running/jogging while swimming participation remains consistently high despite recent drops in overall numbers. It is significant that many of the activities that can take place in an indoor recreation setting are ranked in the top fifteen in overall participation by the National Sporting Goods Association.

Due to the increasing recreational demands, there has been a shortage in most communities of the following spaces (in no particular order):

- Gymsnasiums
- Pools (especially leisure pools)
- Weight/cardiovascular equipment areas
- Indoor running/walking tracks
- Meeting/multipurpose (general program) space
- Senior's program space
- Pre-school and youth space
- Teen use areas

Thus, many communities have attempted to include these amenities in public community recreation facilities. With the growth in youth sports and the high demand for school gyms, most communities are experiencing an acute lack of gymnasium space. Weight/cardiovascular space is also in high demand and provides a facility with the potential to generate significant revenues.



The success of most recreation departments is dependent on meeting the recreational needs of a variety of individuals. The fastest growing segment of society is the senior population and meeting the needs of this group is especially important now and will only grow more so in the coming years. Indoor walking tracks, exercise areas, pools and classroom spaces are important to this age group. Marketing to the younger more active senior (usually age 55-70) is paramount, as this age group has the free time available to participate in leisure activities, the desire to remain fit, and more importantly the disposable income to pay for such services.

Youth programming has always been a cornerstone for recreation services and will continue to be so with an increased emphasis on teen needs and providing a deterrent to juvenile crime. With a continuing increase in single parent households and two working parent families, the needs of school age children for before and after school child care continues to grow as does the need for preschool programming.

As more and more communities attempt to develop community recreation facilities the issues of competition with other providers in the market area have inevitably been raised. The loudest objections have come from the private health club market and their industry voice IHRSA. The private sector has vigorously contended that public facilities unfairly compete with them in the market and have spent considerable resources attempting to derail public projects. However, the reality is that in most markets where public community recreation centers have been built, the private sector has not been adversely affected and in fact in many cases has continued to grow. This is due in large part to the fact that public and private providers serve markedly different markets. One of the other issues of competition comes from the non-profit sector (primarily YMCA's but also JCC's, and others), where the market is much closer to that of the public providers. While not as vociferous as the private providers, the non-profits have also often expressed concern over public community recreation centers. What has resulted from this is a strong growth in the number of partnerships that have occurred between the public and non-profit sector to bring the best recreation amenities to a community.

For many years municipal recreation departments were synonymous with local school districts, specifically with regards to use of indoor facilities. Cities would develop cooperative agreements with the local school district for use of indoor facilities. In the past 10-15 years, on a national level, access to school district facilities has declined. This decrease can be attributed to safety, security, and the quantity of programs that the school is offering. The result is that this has had a significant impact on some recreation department's abilities to offer programs that are gymnasium dependent.



Section III – Alternative Providers

In this section we briefly outline the other service providers in the Rancho Cordova area. It is important to understand that the following lists are by no means comprehensive. The reason for that is that there is not a definitive facility program that the City is attempting to achieve. The proposed building, as it has been discussed, has varied in its components. Those components have included fitness classes, weight/cardio equipment, meeting rooms, offices, rentable spaces, makers spaces, gymnasium, etc.

Because of the wide variety of facility components that have been discussed, B*K is going to offer information that we have found regarding court space and fitness facilities in the area.

Fitness Facilities

- Planet Fitness – Rancho Cordova
- 24 Hour Fitness – Gold River
- Anytime Fitness – Rancho Cordova
- California Family Fitness – Rancho Cordova

The fitness facilities that are listed are all membership-based operations, some in stand-alone buildings, others with more of a store-front operation.

Court Based Facilities

- Rockball – Rancho Cordova
- Sports Court Fitness – Sacramento

The focus of these facilities is to provide court space for both youth and adult training and programs.



Other Noteworthy Providers

Local Public-School District. The City of Rancho Cordova is in a unique position in that their residents feed into multiple school districts. Representatives from B*K met with individuals from the school districts and learned the following.

- All the high schools have significant gymnasium space, but access to that space is very limited.
- Most middle schools have gymnasium space. Access to these facilities is much more feasible in comparison to the high school facilities. However, the gymnasiums are smaller and may not be a regulation size that is appealing to all groups.
- Almost all elementary schools do not have a gymnasium. Rather than a gymnasium many have very large multipurpose rooms, some with basketball courts, almost all using a non-hard wood floor. Access to these facilities, like the middle schools, is much more feasible, but the facility type is not as appealing to user groups.

Private Schools. There is a faith-based private school in or near the boundaries of the City. They do have a gymnasium and it is available for rent. In conversations with B*K there is capacity to rent space.

Cordova Recreation and Park District. The Park District is the primary provider of recreation programs and facilities for the City of Rancho Cordova residents. The District is a stand-alone entity, in that they have their own Board and funding mechanisms. They are not part of the City. They operate the Mather Sports Complex, and at that location they have a full-size gymnasium that is available for rent. In conversations with B*K the District indicated that the facility is not at capacity and that there are still opportunities to rent space. Another important point of discussion with the District is that in their master plan and future park development, they do plan to add additional indoor gymnasium space to their inventory.



Section IV – Market Conclusion:

Below are the high-level market constraints and opportunities associated with the development of a recreation or rental focused facility in the City of Rancho Cordova.

Constraints:

- The single largest constraint for the City of Rancho Cordova is that they do not have the operational expertise, nor do they have the programming expertise on staff. The Cordova Recreation & Park District is the primary provider for those types of facilities and programs to City residents and the surrounding area.
- The proposed location of this facility would serve the residents that fall within the Radius Service Area outlined in the report. However, there are many residents that live to the south of that location that would not travel to this facility.
- There is the perception that there is no gymnasium space available from the current providers of facilities in and around the City. The reality is that there is capacity, however the times available and/or the facilities available may not meet all the specific needs of the potential user groups.
- In addition to the Cordova Recreation & Park District there are a number of other facility providers and league/program providers in the area.



Opportunities

- The median age points to a population that would embrace a recreation focused facility with multiple courts and other family-friendly amenities.
- Funding.
 - The City has access to dollars that they could afford to build a facility of their own if they so desire.
 - The City could partner with the Cordova Recreation & Park District, as they did with the proposed pool development, to assist with funding of a recreation focused facility.
 - A portion of those dollars could be allocated to make access to facilities either more affordable for local user groups. Or, the City could work with local providers to try and process preference of access for local groups, to local facilities.
- Communication.
 - The City currently has open lines of communication with the public-school districts in the area.
 - The relationship between the City and the Cordova Recreation & Park District is improving at a leadership level from both entities.
- Court sports, while having experienced a decline in participation on a national level remain strong in the City. In contrast, the focus on youth sports, from a local and national level, continue to grow and predicate new facility development.



Section V – Public Input Summary:

As another component to the study, B*K conducted a series of stakeholder meetings from Tuesday, April 2 – Thursday, April 4. The following outlines the groups that B*K met with:

Tuesday, April 2

- City Staff

Wednesday, April 3

- Cordova Girls Softball & NorCal Girls Softball Association
- Planning Director EGUS District
- Athletic Director FCUS District
- Campus Life Connection
- Vice Mayor Sander & Council Member Gatewood
- St. John Vianney
- Dean of Instruction Los Rios Community College
- Visit Rancho Cordova
- Cordova Youth Basketball League / Cordova High School Basketball

Thursday, April 4

- Rancho Cordova Police Department Activities Leagues
- Rancho Cordova Athletic Association / Rancho Cordova Little League
- Mayor McGarvey & Council Member Terry
- Cordova Community Council
- Boys & Girls Club
- Crossover Basketball, River City Christian
- Folsom Cordova Community Partnership
- Council Member Budge
- Cordova Recreation & Park District



The following outlines themes derived from the meetings.

- There were two very consistent themes over the course of the two days that were echoed amongst all groups and their representatives:
 - It was felt by all there needs to be a community facility at the proposed location to serve the residents in the immediate area. The facility, its components, programs, and how it operated varied from group to group.
 - It was also the opinion of all groups that B*K met with that whatever is in that location, both facilities and programs should be affordable.
- Specific to sports, and irrespective of youth, or adult, the topic of access and priority were common themes. It was felt by many of these groups that they did not have the access to indoor facilities that they wanted, nor did they feel as they had any priority. Most groups agreed that if they are serving the needs of City residents, they should have some level of priority in accessing facilities.
- From an elected Council Member perspective, there were two very clear, but also distinctly different visions for the future of the location.
 - One group felt that the facility should focus on sports and recreation, with rentable spaces, and that the Cordova Recreation & Park District should not be involved.
 - Another group felt that the facility should focus on delivering social services, but also have rentable spaces.
 - A consistency amongst all Council Members was the reality that any facility in that location would require operational subsidy, but everything possible should be done to minimize the subsidy. Fiscally Responsible.
- There was concern from most groups about the cost to build the facility and who was going to operate the facility. Both concerns, then found their way back to ensuring that the facility was affordable.
- The meetings with some of the groups, like the Boys & Girls Club, had a focus on spaces and programs that could be offered, but also on the opportunity of partnership in terms of operations. It is the opinion of B*K that the only group listed that has the staff and knowledge to operate and program the facility is the Cordova Recreation & Park District.
- Initially the City had hopes that the adjacent community college could be a financial partner in the development or operation of the facility. The reality is that the college would have minimal needs for a facility, and those would be focused more on a meeting rooms, or groups exercise space basis.



- There was a concern expressed by some of the youth sports groups that it is cost prohibitive to rent space, and in some cases participate in programs, that are offered by the District. It is the opinion of B*K that there is a disconnect between some of these groups, the financial goals of the District, and their willingness to subsidize some programs and rentals.
- In meeting with the representative from Visit Rancho Cordova, there is neither the acreage available, nor the funds available, to construct a facility that would have a positive economic impact in terms of youth sports, or beyond.
- Groups were asked to provide feedback on what components should be included in a facility at that location. The following is a list, of some of the most often referenced components:
 - Gymnasium (ranging from a single court to four courts)
 - Large Meeting Room Gathering Space
 - Large Meeting Room w/ the ability to Divide into Smaller Spaces
 - Kitchen (full commercial to catering)
 - Group Exercise Studio
 - Dance Studio
 - Community Resource Space
 - Rentable Space for Community Service Organizations
 - Access to Outdoor Green Space
 - Performing Art Spaces
 - Teen Space
 - Game Rooms
 - Tutoring



Section VI – Recommendations & Operational Impact:

Through the course of the study a common discussed topic was the dollars (approximately \$30 million) that the City of Rancho Cordova has available to them to build a facility. While \$30 million is a significant amount of money, the reality is that there is a limit to the size of facility that can be built on the proposed site and the resources to have a limit.

B*K is not an architectural firm or an engineering firm. However, in our work with a variety of those agencies in California the following calculation can be used to provide an idea of the size of facility that could be developed with those dollars, while not accessing the full amount.

Total Square Feet:	30,000
Per Square Foot Cost:	\$500
Potential Construction Cost:	\$15,000,000
Potential Project Cost:	\$21,500,000

The figure of \$21,500,000 for potential project cost does not account for any future operational expenses but does leave a reserve of approximately \$9,500,000 for future subsidy and/or future community projects.



Recommendation

Given the demographic profile of the community, participation statistics, trends, alternative providers, and stakeholder meetings, B*K would not recommend that the City invest in the development of an indoor recreation focused facility at this time.

From a youth sport perspective, both indoor and outdoor, the common theme was to keep things affordable. Beyond that equally common was the sense that groups that are serving the needs of the City residents should have priority in access to public facilities (school district and recreation district) in the City.

The City has a history of working with the Recreation District on helping enhance funding for construction projects. In this case, the City would be best served, if they want to meet the needs of youth sports groups, to work with the Recreation District and School District(s) and purchase access and priority to the existing facilities.

If the City were to develop an indoor facility with a recreation focus, they would be duplicating services and programs already provided by the Recreation District. This would not be a fiscally responsible decision from the standpoint of further diluting the facility and program market, nor would it be fiscally responsible from the point of the expenses associated with operating the facility.

A 30,000 square foot could anticipate the following annual expenses to operate the facility, not including debt service:

- Utilities: \$120,000
- Full Time Staff: \$338,000⁷
- Part Time Staff: \$225,000⁸

Sub-Total \$683,000
Potential Total \$855,000⁹

This does not include any associated revenue with the facility.

⁷ 3 full-time recreation staff @ \$60,000 each, plus 2 full-time custodians @ \$40,000 each, plus 30% for benefits.

⁸ 90 hours of operation per week, with an average of 3 part-time staff on duty @ \$16.00 per hour.

⁹ Staffing and Utilities typically make up 80% of an operating budget for recreation facilities. If the sub-total of \$683,000 is 80% of the budget, then \$855,000 would be the full budget.



Alternatives

If the City were committed to building an indoor community focused facility at the proposed location, B*K would offer the following options. It is important to note that irrespective of the following options, B*K would recommend that the City contract with the Cordova Recreation & Park District to operate the facility and subsidize the operation accordingly to keep it affordable for all potential participants.

Option #1 – Community Focused

	Square Feet
• Gymnasium (2 courts)	10,000
• Group Exercise/Dance Studio	2,500
• Movement Studio	1,500
• Dividable Meeting Room	5,000
• Warming Kitchen	750
• Offices	750
• Restrooms	1,500
• Social Services Space	<u>3,000</u>
• Sub-Total	25,000
• 15% Gross Up (circulation, walls)	3,750
• Total	28,750
• Construction Cost (\$500/sq. ft.)	\$14,375,000
• Project Cost	\$20,535,714

A facility of this size and with these components would accommodate the following and address the needs/wants of many community members:

- Youth Sports (practices, rentals, games)
- Adult Sports
- Group Exercise (youth, adult)
- Enrichment Programming (youth, adult)
- Social Services Delivery (in-house or via contract)
- Rentable Meeting Space (corporate, community, non-profit groups)



Option #2 – Youth Sports Focused

	Square Feet
• Gymnasium (4 courts)	24,000
• Dividable Meeting Room	2,500
• Offices	750
• Restrooms/Locker Rooms	<u>2,500</u>
• Sub-Total	29,750
• 15% Gross Up (circulation, walls)	4,463
• Total	34,213
• Construction Cost (\$500/sq. ft.)	\$17,106,250
• Project Cost	\$24,437,500

A facility of this size and with these components would accommodate the following and would primarily focus on sports and rentals:

- Youth Sports (practices, rentals, games)
- Adult Sports